

Closed Session - Project Big Box — December 2, 2013

At 8:19 p.m., the Board convened closed session on a matter relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Kemp, Lanier and Haywood were present. Also present were County Manager Richard Wells; Will Massie, Assistant County Manager/Finance Officer; County Attorney Ben Morgan; Aimee Scotton, Associate County Attorney; Cheryl Ivey, Clerk to the Board; and Bonnie Renfro, Randolph County EDC President.

Bonnie Renfro updated the Board on the United Furniture Industries project, in which the company plans to develop a 1,000,000 sq. ft. facility for manufacturing and distribution of upholstered seating with a projected investment of \$35 million. The company operates at the Old Glenola Road site in Archdale and leases at the Trinity American Complex. The project will consolidate from a leased distribution center in Forsyth County and provide expansion room. It will be a Class A, high cube and cross-dock facility. The company is seeking a 100-acre rail-served site with good highway access, and will require industrial utilities.

Investment: \$35 Million

Jobs: 200 new
550 retained at 2 locations

Average wage: \$10-\$18/hr., skill dependent, piece work
Benefits include health insurance: 80% employer-paid

Timetable: Decision: December 2013

Ms. Renfro reminded the Commissioners that a Davidson County site is also under consideration. In Randolph County, the company is now focusing only on the Old Glenola Road site. She also reminded the Board that, as directed by the Board in October, she proposed the following performance-based incentive plan for the project: \$1.323 million paid over seven years at equal installments of \$189,000/year, proportionate to the new tax revenues for each government (County and Archdale). Performance requires investment of \$35 million in taxable real property and the creation of 200 new jobs within three years and the retention of 550 jobs for the life of the grant.

Ms. Renfro said that the company's response to this proposal is for a more competitive package from Randolph County. Their argument is that land and tax cost is higher in Randolph than it is in Davidson.

Ms. Renfro suggested that the Board consider offering the same package except over eight years rather than 7 years. This represents 4.3% of invested capital at \$1,762,000, which is greater than 3.8% of the current proposal (over 7 years).

Following discussion, the Board directed Ms. Renfro to communicate to the company the Board's willingness to offer the eight-year performance-based incentives plan.

At 8:47 pm, on motion of Frye, seconded by Kemp, the Board voted unanimously to end closed session and to return to open session.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Cheryl A. Ivey, Clerk to the Board